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Federal Communications Commission
Office of Secretary

November 8, 2004

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
Room TW-A325
445 12th St. S.W.
Washington D.C. 20554

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Re: Unbundled Access to Network Elements, Review of Section 251 Unbundling Obligations of
Local Exchange Carriers, WC Dkt. No. 04-313, CC Dkt. No. 01-338.
Submission of Additional Analysis Regarding ILEC and ALTS Impairment Tests

Dear Ms. Dortch:

On behalf of Conversent Communications, LLC ("Conversent") we have enclosed for filing, pursuant to the protective order in the above referenced proceedings, two copies of the redacted version of a letter and attachments filed today by Conversent in the above referenced dockets. The redacted version of the letter and all of the attachments were also filed electronically today in those dockets.

Confidential versions of the enclosed letter and attachments have also been sent to Gary Remondino of the Wireline Competition Bureau and were filed separately with the Secretary.

Please let us know if you have any questions.

No. of Copies rec'd
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/s/

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Submission of Additional Analysis Regarding ILEC and ALTS Impairment Tests

Dear Ms. Dortch:

In its reply comments in the above-referenced proceeding (attached as Appendix A hereto), Conversent Communications, LLC ("Conversent") stated that it would file "backup materials" for Conversent's comparative analysis of the transport and loop impairment standards proposed by the ILECs and ALTS in this proceeding. *See* Conversent Reply Comments at n.2. Conversent performed the comparative analysis for three states in which it operates: Massachusetts, Rhode Island and New Jersey. The purpose of this letter is provide the back-up materials for that analysis.

Those materials demonstrate that the ILECs' proposed loop and transport impairment tests¹ would eliminate unbundling for many more transport and loop facilities than would have been the case under the *Triennial Review Order* impairment triggers. By contrast, ALTS' proposed impairment tests for transport² and loops are consistent with the *Triennial Review Order* triggers. Moreover, the

¹ SBC's proposal would eliminate all unbundling for loops above DS1 and DS1s unbundling would be eliminated in wire centers with over 15,000 loops. *See* SBC Comments at 88-89. One prong of Verizon's loop proposal would eliminate all loop unbundling in wire centers where there are 5,000 or more total business lines (retail and wholesale). *See* Verizon Comments at 82. Bellsouth would eliminate all loop unbundling in central offices with 5,000 or more business access lines. *See* Bellsouth Comments at 44. For transport, Bellsouth and Verizon would eliminate unbundling for all wire centers with more than 5,000 business access lines. *See* Verizon Comments at 82; Bellsouth Comments at 39. SBC would eliminate unbundling between wire centers with more than 10,000 business access lines and between wire centers with more than 10,000 business access lines, and those with more than 5,000 business access lines. *See* SBC Comments at 69-70.

² Under the ALTS impairment test, DS3 and dark fiber interoffice transport would be unbundled on routes between wire centers serving 10,000 business access lines or less. DS3 and dark fiber interoffice transport would not be unbundled on

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Triennial Review Order triggers are consistent with the *USTA II* decision so long as they are administered by the FCC and so long as they are adjusted to aggregate similarly situated transport routes and customer locations as needed and appropriate. ALTS' transport test addresses both of these issues because it would be administered by the FCC, and it aggregates similarly-situated routes by requiring conclusive findings under Section 251(d)(2) for the thousands of routes between wire centers with 10,000 or fewer business access lines (where a finding of impairment is automatic) and between wire centers with over 40,000 business access lines (where a finding of non-impairment is automatic). See ALTS Comments at 81. ALTS' impairment test for loops is also consistent with *USTA II*. See *id.* at 37-8.

In order to demonstrate that the ALTS transport test is consistent with the *Triennial Review Order* triggers, Conversent used the available access line data³ to identify the number of business access lines served by wire centers on each end of the routes that Verizon asserted met the *Triennial Review Order* impairment triggers for dark fiber interoffice transport during the state implementation proceedings in Massachusetts, Rhode Island and New Jersey.⁴ Conversent then applied the impairment tests for transport proposed by Verizon, BellSouth, SBC and ALTS to those routes. The results of this analysis are set forth in the spreadsheets attached hereto as Appendix B. Those spreadsheets show that the vast majority of the routes that Verizon asserted met the *Triennial Review Order* impairment triggers for dark fiber interoffice transport in state implementation proceedings would, under the ALTS test, either be subject to the *Triennial Review Order* impairment triggers (yielding the same outcome if Verizon applied those triggers properly) or subject to a conclusive finding of non-impairment based on the number of business access lines served by wire centers on both ends of the route.

Conversent also compared the total number of transport routes that Verizon argued would no longer be unbundled under the *Triennial Review Order* triggers with the total number of interoffice transport routes that would no longer be subject to unbundling under the impairment tests for transport proposed by Verizon, BellSouth, SBC, and ALTS in this proceeding. Each one of the tests proposed in this proceeding uses (along with other factors in Verizon's case) business access lines per wire center

routes between wire centers serving over 40,000 business access lines. Routes that meet neither of these criteria would continue to be subject to the *Triennial Review Order* triggers. See ALTS Comments at 81.

³ Conversent used the data collected by PNR Associates for the purposes of establishing the non-rural high cost fund. PNR created a model for the number of business access lines per wire center using publicly available secondary sources such as Dun & Bradstreet's database of business locations, the LERG, census data, and incumbent LEC wire center boundaries. See *Federal-State Joint Board on Universal Service, Forward Looking Mechanism for High-Cost Support for Non-Rural LECs, Tenth Report and Order*, 14 FCC Rcd 20156, ¶ 51 (1999). For New Jersey, Conversent also used actual line count data submitted for that state in this proceeding. See Comments of New Jersey Division of Ratepayer Advocate, Declaration of Susan Baldwin, Confidential Attachment, SMB-10 at 1-6.

⁴ The testimony and underlying data submitted by Verizon in the Massachusetts, Rhode Island and New Jersey state *Triennial Review Order* implementation proceedings are attached hereto as Appendix D. By citing to Verizon's assertions regarding the application of the *Triennial Review Order* triggers, Conversent does not mean to imply that those assertions represent a reliable application of the triggers. Conversent means only to compare Verizon's aggressive (likely unlawful) interpretation of the triggers with the tests proposed in this proceeding.

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connecting one end or both ends of a transport route to determine impairment for transport of a specified type (e.g., DS1, DS3, or dark fiber). Conversent therefore identified each non-rural wire center in the three states at issue that met the relevant business access line trigger and then calculated the number of interoffice transport routes in the state that would no longer be subject to unbundling under the relevant test. The spreadsheets used to make these calculations are attached hereto as Appendix C.

Those spreadsheets show that the ILEC impairment tests for transport would yield huge numbers of false negatives (i.e., incorrect findings of non-impairment). For example, in the Massachusetts *Triennial Review Order* implementation proceeding, Verizon asserted that there were 186 routes that met one or both of the FCC's triggers for dark fiber interoffice transport, 145 routes that met the self-provisioning trigger for DS3 interoffice transport and 174 routes that met the wholesale triggers for DS1 and DS3 interoffice transport.⁵ According to the PNR data, which encompasses 266 non-rural wire centers in Massachusetts, under Bellsouth and Verizon's tests, 3655 routes would no longer be subject to unbundling for any type of transport. Under SBC's test, 2914 routes would no longer be subject to unbundling for any type of transport. As the spreadsheets and Conversent's reply comments explain, the PNR data for New Jersey and Rhode Island tell a similar story. See Conversent Reply Comments at 7-8. Moreover, the proprietary business access line data for New Jersey also yields similar results. That data (which consists of only *retail*, not wholesale, business access lines) shows that [proprietary begin] xxxxxx [proprietary end] routes would no longer be subject to unbundling under Verizon and Bellsouth's tests in New Jersey, while under SBC's test, [proprietary begin] xxxxxx [proprietary end] routes would no longer be subject to unbundling in New Jersey. This conservative measure using actual wire center data only underscores how divorced from actual impairment the ILEC tests are.

Furthermore, Conversent's analysis demonstrates that ALTS' assumption that all routes between wire centers with less than 10,000 business access lines lack sufficient competitive alternatives for a finding of non-impairment is reasonable. As the analysis in Appendix B demonstrates, all but two of the dark fiber transport routes that Verizon alleged met the *Triennial Review Order* triggers are connected to at least one wire center that serves more than 10,000 business access lines. These routes would continue to be subject to the *Triennial Review Order* triggers or be subject to automatic findings of non-impairment under ALTS' test. By contrast, under the ILECs' tests, unbundling would be eliminated for all of the routes that Verizon alleged met the *Triennial Review Order* triggers (except for 5 in Rhode Island under SBC's test), but the ILEC tests would also eliminate unbundling for *thousands* of other routes that Verizon did not think met the *Triennial Review Order* impairment triggers.

Finally, it is also worth reiterating that the gulf between Verizon's own assertions regarding the customer locations that met the *Triennial Review Order* loop impairment triggers in Massachusetts and New Jersey⁶ and the loop impairment tests proposed by the ILECs in this proceeding is even wider

⁵ See Verizon Massachusetts, Supplemental Testimony of John Conroy and John White, D.T.E. 03-60 at 9-11 (Dec. 19, 2003) ("VZ MA Testimony").

⁶ Verizon did not submit a loops case for Rhode Island.

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than for transport. For example, in the Massachusetts *Triennial Review Order* implementation proceeding, Verizon claimed that 70 customer locations met either the self-provisioning or wholesale impairment triggers. According to Verizon, 15 locations met the DS1 wholesale trigger, 67 locations met the DS3 self-provisioning trigger, 12 locations met the DS3 wholesale trigger, and 17 locations met the dark fiber self-provisioning trigger.⁷ By contrast, under Bellsouth and Verizon's tests, there would be no loop unbundling at all in 86 wire centers. Under SBC's test, there would be no unbundling of DS3s and dark fiber loops anywhere while unbundled DS1 loops would no longer be available in 22 wire centers. As with transport, the enclosed spreadsheets and Conversent's reply comments demonstrate similar analyses with regard to both Rhode Island and New Jersey. *See* Conversent Reply Comments at 5. Under the ILEC tests, literally thousands of loops would no longer be available as UNEs without any assurance that competitors are actually unimpaired at those locations. The ILECs' loop tests must therefore be rejected.

Sincerely,

/s/
Thomas Jones

Enclosures

⁷ *See VZ MA Testimony* at 17.

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Appendix A:

Exhibit 1: Reply Comments of Conversent, Dkt. No. 04-313 et al., (filed Oct. 19, 2004)

Appendix B:

Spreadsheets calculating which of the dark fiber interoffice transport routes Verizon asserted met the *Triennial Review Order* triggers would no longer be unbundled under ILEC and ALTS transport tests

Exhibit 1: Massachusetts

Exhibit 2: Rhode Island

Exhibit 3: New Jersey

Appendix C:

Spreadsheets calculating the total number of interoffice transport routes that would be unbundled in Massachusetts, Rhode Island and New Jersey under the impairment tests proposed by the ILECs and ALTS

Exhibit 1: Massachusetts

Exhibit 2: Rhode Island

Exhibit 3: New Jersey (Contains confidential information)

Appendix D:

Verizon testimony and data submitted in state TRO proceedings

Exhibit 1: Massachusetts

Exhibit 2: Rhode Island

Exhibit 3: New Jersey

Appendix C:

Spreadsheets calculating the total number of interoffice transport routes that would be unbundled in Massachusetts, Rhode Island and New Jersey under the impairment tests proposed by the ILECs and ALTS

Exhibit 3: New Jersey (Contains confidential information)

HAI Model Release FCC - Expense Module Wire Center Level Calculations for New Jersey			RBOC Loop and Transport Tests for New Jersey				ALTS Transport Tests			Proprietary New Jersey Data	RBOC Loop and Transport Tests				Info missing
cill	business lines		Over 5,000	Over 10,000	Between 5,000 and 10,000	Over 15,000	Under 10,000	Between 10,000 and 40,000	Over 40,000		Over 5,000	Over 10,000	Between 5,000 and 10,000	Over 15,000	
HMTNNJHA		6,093	1		1		1			[xxxxxx]					1
HOLMNJHO		1,509					1								
HPWLNJMP		1,412					1								
IVTNNJES		12,701	1	1				1		[xxxxxx]					
JMBGNJUA		1,718					1			[xxxxxx]					
JRCYNJBR		32,933	1	1		1		1		[xxxxxx]					
JRCYNJJO		35,722	1	1		1		1		[xxxxxx]					
KNBGNJKE		3,105					1			[xxxxxx]					
KRYNNJAN		12,629	1	1				1		[xxxxxx]					
KYPTNJKY		17,251	1	1		1		1		[xxxxxx]					
LDVLNJLD		899					1								1
LEHTNJ01		2,348					1			[xxxxxx]					
LGBRNJLB		13,288	1	1				1		[xxxxxx]					
LKHRNJ01		1,301					1			[xxxxxx]					
LKWDNJLK		18,970	1	1		1		1		[xxxxxx]					
LMVLNJLV		1,958					1			[xxxxxx]					
LNCGNJ01		8,907	1		1			1		[xxxxxx]					
LNNGNJHC		3,230					1			[xxxxxx]					
LOTPNJ01		3,528					1								1
LRSPLJLS		17,855	1	1		1		1							1
LTFPLJLF		16,604	1	1		1		1		[xxxxxx]					
LTFNJLJF		24,442	1	1		1		1		[xxxxxx]					
LVLTNJSP		2,299					1			[xxxxxx]					
LVTNJUJ1		13,878	1	1				1		[xxxxxx]					
MARLNJMA		17,358	1	1		1		1		[xxxxxx]					
MCTVNJPN		29					1								1
MDVLNJMC		14,278	1	1			1	1							
MDFDNJ01		8,155			1			1		[xxxxxx]					
MDSNNJUA		14,858	1	1				1		[xxxxxx]					
MDTVNJMD		4,428					1			[xxxxxx]					
MGTKNJME		5,211	1		1			1		[xxxxxx]					
MHVLNJME		23,878	1	1		1		1		[xxxxxx]					
MLBNNJMB		20,761	1	1		1		1		[xxxxxx]					
MLDGNJ01		2,178					1								1
MLCHNJMH		448					1			[xxxxxx]					
MLVLNJMI		6,747	1		1			1							1
MNHWNJMD		1,638					1			[xxxxxx]					
MNHWNJ01		3,880					1			[xxxxxx]					
MNUTNJ01		6,571	1		1			1		[xxxxxx]					
MNSQNJ01		6,206	1		1			1		[xxxxxx]					
MNTUNJWE		2,071					1			[xxxxxx]					
MRTWNJMR		40,587	1	1		1			1	[xxxxxx]					
MSTWNJMD		28,088	1	1		1		1		[xxxxxx]					
MTCHNJMT		28,025	1	1			1	1		[xxxxxx]					
MTCLNJMC		18,743	1	1		1		1		[xxxxxx]					
MTLUNJMH		6,580	1		1			1		[xxxxxx]					
MTVWNJMV		18,030	1	1		1		1		[xxxxxx]					
NBRGNJNB		23,220	1	1		1		1		[xxxxxx]					
NEGPNJ01		1,273					1			[xxxxxx]					
NFLDNJNF		2,323					1			[xxxxxx]					
NPTUNJNT		8,898	1		1			1		[xxxxxx]					
NSHNNJ01		957					1			[xxxxxx]					
NTCNNJ01		3,820					1			[xxxxxx]					
NTLYNJNU		11,158	1	1				1		[xxxxxx]					
NWPNVJMH		12,562	1	1				1		[xxxxxx]					
NWRKNJ02		50,198	1	1		1			1	[xxxxxx]					
NWRKNJ03		17,532	1	1		1		1		[xxxxxx]					
NWRKNJUR		27,194	1	1		1		1		[xxxxxx]					
NWRKNJWA		5,988	1		1			1		[xxxxxx]					
OCCYNJOC		3,847					1								1
OKLDNJ01		6,277	1		1			1		[xxxxxx]					
ORNTNJ0E		1,650					1			[xxxxxx]					
PAUBNJPM		10,406	1	1				1		[xxxxxx]					
PGRVNJPG		1,639					1			[xxxxxx]					
PHBGNJPH		5,958	1		1			1							1
PLBONJPB		3,624					1			[xxxxxx]					
PLFDNJPF		34,490	1	1		1		1		[xxxxxx]					
PLRMNJ01		1,305					1								1
PMTNNJPB		789					1			[xxxxxx]					
PNNKNNPN		17,281	1	1		1		1							1

